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C O N F I D E N T I A L SECTION 01 OF 02 SOFIA 000483

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TAGS: PREL PGOV BU

SUBJECT: BULGARIA: MLADENOV BRINGS STRATEGIC VISION TO MOD, VOWS REFORM

Classified By: Charge d'Affaires Ordway for reasons 1.4 (b)/(d)

¶1. (C) SUMMARY: The new government is serious about military reform and cleaning up the MOD. Prime Minister Borisov picked 37-year old Nikolay Mladenov to carry out this task. Mladenov is widely respected for his talent, political savvy and work ethic. His lack of military experience may be a plus in Bulgaria as he is not personally beholden to entrenched interests inside the military establishment. A fluent English-speaker who spent nearly five years overseas, including stints in Iraq and Afghanistan, he has worked for NDI, IRI and the Open Society Foundation, is strongly pro-NATO and committed to continuing Bulgaria's engagement in international security affairs. He is eager to deepen U.S.-Bulgaria security cooperation and increase the impact of Bulgarian overseas deployments. In the short-term, he will be forced to devote his attention to cleaning up the legal, structural and budgetary mess left behind by the previous government. To accomplish this, he has requested additional IMET or other funds for U.S. advisory teams to assist in the formulation and implementation of urgently needed procurement, accounting, planning and professional education reforms. END SUMMARY.

TOUGH ROAD AHEAD

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¶2. (C) Mladenov takes charge of a military that is short on funds and has habitually misallocated its limited resources. The Bulgarian Armed Forces are reliant on outdated equipment, some of which (particularly in the Air Force) absorb funds while providing zero capability. It is also still adjusting to a complicated merger of the MOD and Joint Staff and the transition to an all-volunteer force. While his lack of military experience could be an asset in overseeing wrenching reforms, he has wisely selected three former officers as his deputies and chief of staff who share his reform agenda, but who also have the years of personal experience he does not.

¶3. (C) Mladenov tells us he is excited about the possibilities of expanding the U.S.-Bulgaria security partnership. This will only be meaningful if he can set the MOD's house in order, a task that currently has his full and undivided attention. The bottom line: Mladenov is the best chance Bulgaria has had in a decade to turn its military into a modern capable force. The looming budgetary crisis, ironically, strengthens his hand in ending corrupt procurement practices and re-focusing resources on acquisition and maintenance of real capabilities that will modernize the armed forces and support the country's strategic needs.

REFORM PLAN IN PLACE

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¶4. (C) For over a year, the Center for Civil-Military

Relations (CCMR) based out of the Naval Post-graduate School, has advised Bulgaria on defense transformation and prepared a series of recommendations on structural reform, defense planning, procurement and professional training. In line with these U.S. recommendations, Mladenov said he intends to:

- realign the MOD bureaucracy to consolidate financial management operations and reduce staff;
- institute a &capabilities-based defense planning model<sup>18</sup> in order to link the acquisition of new systems to the ministry's strategic requirements;
- completely overhaul the defense procurement process to reduce waste and ensure transparency;
- amend or completely re-write the Defense Law to clarify chain of command authority in peace and wartime.

#### HOW WE CAN HELP

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¶5. (C) Unlike the previous Defense Minister, Mladenov is prepared to fully implement the CCMR recommendations, but emphasized that his ministry needs continued support from the organization to ensure that reforms are successfully implemented. The MOD has proposed a series of CCMR-led workshops, training events, staff exercises and mentored courses at its professional development institute to fully develop and implement necessary policy, planning, budgeting and educational reforms. Current OSD funding expires at the

SOFIA 00000483 002 OF 002

end of this fiscal year, making additional funds an urgent priority. Mladenov commented that CCMR's work to date has been invaluable in identifying the areas most in need of reform and it would be a shame to end the program prematurely at precisely the moment the ministry and CCMR's experts are preparing to develop and implement solutions. In other countries, CCMR has made use of end-of-year IMET funds to extend or enlarge its programs. Post requests that if end-of-year IMET money or similar resources are available, Bulgaria be given strong consideration for supplemental support.

¶6. (C) COMMENT: Although Bulgaria has remained a strong partner in international security operations (steadily increasing its forces in Afghanistan despite public opinion) and increased the scale and tempo of joint military exercises, the previous government failed to implement significant internal reform. Corruption and mismanagement have drained the ministry's coffers and saddled the Bulgarian Armed Forces, particularly its Air Force, with obsolete, non-deployable and non-NATO interoperable systems. U.S. assistance has helped, but in the past, lack of political will prevented systemic improvement. Mladenov's presence creates a rare window of opportunity for deep and enduring reform, particularly on defense procurements. Modest increases in U.S. assistance to Bulgaria at this crucial juncture will have greater impact than ever, helping Bulgaria to transform its entire defense acquisitions process and begin proper allocation of its defense resources. For the first time, political will exists to end wasteful and corrupt procurements, terminate obsolete systems and bring planning, budgeting and education practices up to NATO standards. Mladenov seeks and deserves our support. END COMMENT.

¶7. (C) BIO NOTES: Although Mladenov did not serve in the military, he graduated from King's College London with an MA in War Studies and is a respected voice in Bulgaria on international security issues. In the 1990's he held positions in Sofia as a program director for the Open Society Foundation and as a consultant for the World Bank, NDI and IRI. Mladenov entered the political scene at 28 and became

an MP for the Union of Democratic Forces (UDF) in 2001. He was seen as a protege of UDF leader Nadezhda Mihailova, a previous Minister of Foreign Affairs. Through skill and his ties with Mihailova, he rose quickly through the UDF ranks, and was named Deputy Party Chairman in 2004. Mladenov resigned his post following the resignation of party leader Mihailova in 2005. Unlike Mihailova, however, he left the UDF a year later to join Citizens for the European Development of Bulgaria (GERB), then an unknown new political party.

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